

Message Text

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PAGE 01 STATE 021620

21

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INFO OCT-01 AF-06 ARA-06 EA-07 EUR-12 NEA-10 IO-11 ISO-00

FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00 FRB-03

H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05 PA-01

AID-05 CIEP-01 SS-15 STR-04 TAR-01 TRSE-00 PRS-01

SP-02 OMB-01 OPIC-03 SIL-01 OIC-02 NSCE-00 SSO-00

USIE-00 INRE-00 /133 R

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APPROVED BY: EB/OT:CWSCHMIDT

TREASURY:JSCHOTT (SUBS)

COMMERCE:BMILLER (SUBS)

STR:SLANDE (SUBS)

AGRIC:JAHLLQUIST (SUBS)

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PAGE 02 STATE 021620

AMEMBASSY HELSINKI IMMEDIATE

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AMEMBASSY REYKJAVIK IMMEDIATE
USDEL MTN GENEVA
INFO AMEMBASSY MADRID
AMEMBASSY ANKARA
AMEMBASSY LISBON
AMEMBASSY ATHENS

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C O R R E C T E D C O P Y (TAGS OMITTED)

E.O. 11652: N/A

TAGS: ETRD

SUBJECT: OECD TRADE COMMITTEE MEETING FEBRUARY 3-4; GSP
AND MTN

1. SUBJECT COMMITTEE UNDER AGENDA ITEM 3 WILL CONSIDER
A REPORT "CONCLUSIONS OF GROUP ON PREFERENCES ON THE
IMPLICATIONS OF CIEC AND OF THE MTN FOR THE GSP AND FOR
THE WORK OF THE GROUP ON PREFERENCES - AGENDA ITEM 3".
TEXTS HAVE BEEN CIRCULATED TO ALL OECD GOVERNMENTS.
2. AT UNCTAD SPECIAL COMMITTEE ON PREFERENCES MEETING
GENEVA JANUARY 5-16, PREFERENCE GIVING COUNTRIES OF GROUP
B PREPARED A STATEMENT OF AGREED POSITIONS WITH RESPECT
TO THE ISSUE OF GSP AND "EROSION" OF PREFERENCE MARGINS
IN THE MTN'S. THERE FOLLOWS THE FULL TEXT OF THAT
STATEMENT, WHICH WAS NOT USED AS THE ISSUE DID NOT
ARISE DURING THE MEETING. FYI: NON-PREFERENCE GIVING
MEMBERS OF GROUP B HAD NO OBJECTIONS TO THE STATEMENT
BUT DID NOT WISH TO BE ASSOCIATED WITH IT. END FYI.

BEGIN TEXT: MR. CHAIRMAN: ON BEHALF OF THE PREFERENCE-
GIVING COUNTRIES OF GROUP B, I SHOULD LIKE TO MAKE A
BRIEF STATEMENT ON THE RELATION BETWEEN THE MULTILATERAL
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PAGE 03 STATE 021620

TRADE NEGOTIATIONS AND THE GSP.

FROM PAST DISCUSSIONS IN THIS COMMITTEE, WE ARE
ALL AWARE OF THE GREAT IMPORTANCE WHICH IS ATTACHED TO
THE MTN BY DEVELOPED AND DEVELOPING COUNTRIES ALIKE.
THE GOALS OF THESE NEGOTIATIONS ARE BROAD AND SHOULD
BRING BENEFITS TO ALL PARTICIPATING COUNTRIES. IN THIS

CONNECTION, IT SHOULD BE NOTED THAT THE TOKYO DECLARATION REFERS IN A NUMBER OF PLACES TO THE SPECIAL ATTENTION WHICH SHOULD BE PAID IN THE MTN TO THE POSITION OF THE DEVELOPING COUNTRIES IN ORDER TO SAFEGUARD THEIR INTERESTS. A LARGE NUMBER OF DEVELOPING COUNTRIES HAVE BEEN PARTICIPATING ACTIVELY IN THE MTN DISCUSSIONS SO FAR, INCLUDING COUNTRIES WHICH ARE NOT CONTRACTING PARTIES TO THE GATT, AND IT WAS PARTLY IN RESPONSE TO THE CONCERNS OF THESE COUNTRIES THAT THE TRADE NEGOTIATIONS COMMITTEE DECIDED RECENTLY TO ADOPT 1977 AS THE TARGET DATE FOR THE CONCLUSION OF THE NEGOTIATIONS.

WITH PARTICULAR REFERENCE TO THE GSP, I WOULD ALSO LIKE TO RECALL THAT THE TOKYO DECLARATION RECOGNIZES THE IMPORTANCE OF MAINTAINING AND IMPROVING THE GSP. AT THE SAME TIME, IT SHOULD NOT BE FORGOTTEN THAT THE GSP IS AUTONOMOUS IN CHARACTER, REFLECTING THE FACT THAT IT GRANTS PREFERENTIAL TREATMENT ON A TEMPORARY AND NON-CONTRACTED BASIS. THERE CAN BE NO QUESTION OF LOSING SIGHT OF THE OBJECTIVE OF GENERAL TRADE LIBERALIZATION, AND IT IS THEREFORE NOT POSSIBLE TO ENVISAGE SUBORDINATING PROGRESS IN MOST-FAVORED-NATION REDUCTION OF TRADE BARRIERS TO THE MAINTENANCE OF PREFERENTIAL MARGINS FOR DEVELOPING COUNTRIES. IN SOME CASES, IT IS TRUE THAT PREFERENTIAL MARGINS ESTABLISHED UNDER THE GSP MAY BE REDUCED AS A RESULT OF MFN TARIFF LIBERALIZATION. THE PREFERENCE-GIVING COUNTRIES OF GROUP B FEEL STRONGLY, HOWEVER, THAT MUCH MORE IMPORTANT WILL BE THE LONG-TERM BENEFITS AND STABILITY WHICH WILL BE REALIZED BY ALL COUNTRIES FROM BOUND, NON-DISCRIMINATORY TARIFF REDUCTIONS. MOREOVER, INASMUCH AS THE MTN IS NOT EXPECTED TO ELIMINATE TARIFFS TOTALLY, THERE SHOULD CONTINUE TO LIMITED OFFICIAL USE

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PAGE 04 STATE 021620

BE SCOPE FOR MAINTAINING PREFERENTIAL TREATMENT FOR DEVELOPING COUNTRIES AFTER THE NEGOTIATIONS ARE OVER.

MR. CHAIRMAN, THE PREFERENCE-GIVING COUNTRIES OF GROUP B RECOGNIZE THE IMPORTANCE BEARING WHICH THE MTN WILL HAVE ON THE PROSPECTS FOR ECONOMIC DEVELOPMENT IN DEVELOPING COUNTRIES. THEY FEEL, HOWEVER, THAT IT IS BEYOND THE

COMPETENCE OF THIS COMMITTEE TO CONCERN ITSELF WITH THE PROCESS OF NEGOTIATION WHICH IS UNDERWAY IN THE MTN. IN THE CONTEXT OF CURRENT EFFORTS TO LIBERALIZE INTERNATIONAL TRADE, THEY FEEL THAT THE MTNS THEMSELVES PROVIDE THE APPROPRIATE FORA FOR DISCUSSING AND DETERMINING THE APPROACHES TO BE TAKEN TOWARD THE TRADE PROBLEMS OF DEVELOPING COUNTRIES IN THIS FIELD. PREFERENCE-GIVING

COUNTRIES OF GROUP B HAVE ALREADY INDICATED THAT THEY WILL RESPOND FAVORABLY TO SOME REQUESTS MADE BY DEVELOPING COUNTRIES WITHIN THE CONTEXT OF THE MTN DISCUSSIONS.

WITH REGARD TO THE WORK OF THE PRESENT SESSION OF THE SPECIAL COMMITTEE ON PREFERENCES, THE PREFERENCE-GIVING COUNTRIES OF GROUP B HAVE NOTED THAT THE SECRETARIAT HAS PREPARED A STUDY ENTITLED "EFFECTS OF THE MULTILATERAL TRADE NEGOTIATIONS ON THE GENERALIZED SYSTEM OF PREFERENCES." (DOCUMENT TD/B/C.5/37) THIS STUDY IS APPARENTLY PART OF THE DOCUMENTATION WHICH THE SECRETARY-GENERAL OF UNCTAD HAS BEEN REQUESTED TO PREPARE UNDER CONFERENCE RESOLUTION 82(III), "WITHOUT DUPLICATING DOCUMENTATION PREPARED BY GATT, TO ASSIST THE DEVELOPING COUNTRIES IN THEIR PREPARATION DURING THE VARIOUS STAGES OF THESE NEGOTIATIONS". THE PREFERENCE-GIVING COUNTRIES OF GROUP B CONSIDER THAT THE SORT OF PRAGMATIC ANALYSIS APPLIED BY THE SECRETARIAT STUDY, DIRECTING ATTENTION TOWARD PARTICULAR PRODUCTS, COULD BE USEFUL. NEVERTHELESS, THE FINAL EVALUATION OF DATA AND THE DEVELOPMENT OF NEGOTIATING POSITIONS IS THE RESPONSIBILITY OF INDIVIDUAL PARTICIPANTS IN THE MTN. THE PREFERENCE-GIVING COUNTRIES OF GROUP B ARE NOT IN A POSITION TO COMMENT ON THE SUBSTANCE OF THE STUDY OR OF ITS CONCLUSIONS, AND THEY CONSIDER THAT IT WOULD BE INAPPROPRIATE FOR THE COMMITTEE TO TAKE ANY LIMITED OFFICIAL USE

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PAGE 05 STATE 021620

POSITION ON THE DOCUMENT. THEY SUGGEST THAT THE COMMITTEE TAKE NOTE OF DOCUMENT TD/B/C.5/37 AND REQUEST THAT IT BE TRANSMITTED TO THE CHAIRMAN OF THE TNC FOR USE BY THE PARTICIPANTS IN THE NEGOTIATION AS THEY CONSIDER APPROPRIATE. END TEXT.

3. WE BELIEVE ABOVE GROUP B STATEMENT OFFERS USEFUL BASIS FOR FORMULATION OF POSITIONS BY PREFERENCE GIVING OECD MEMBERS FOR CIEC COMMISSION AND UNCTAD IV DISCUSSIONS. U.S. DEL PLANS PROPOSE AT TRADE COMMITTEE MEETING THAT THE PREFERENCE GIVING MEMBERS OF THE COMMITTEE ENDORSE A STATEMENT ALONG THE LINES OF THE UNCTAD GROUP B STATEMENT.

4. ACTION ADDRESSEES ARE REQUESTED TO INFORM

APPROPRIATE OFFICIALS OF PLANNED U.S. INITIATIVE, FURNISHING COPY OF ABOVE TEXT FOR THEIR CONVENIENCE. ADDRESSEES SHOULD MAKE CLEAR WE WOULD NOT PRECLUDE CONSIDERATION OF ANY ALTERNATIVE AND/OR BROADER TEXTS.

5. OECD PAPER HAS STATUS OF CHAIRMAN'S SUMMARY OF

DISCUSSION IN A CLOSED MEETING RATHER THAN AN ENDORSED

POSITION FOR BROADER INTERNATIONAL MEETING. GENEVA
GROUP B STATEMENT HAS ADVANTAGE OF BEING AN ALREADY
AGREED STATEMENT ON AN IMPORTANT ASPECT OF DC-LDC
TRADE POLICY ISSUES.

6. IN VIEW SHORT TIME REMAINING BEFORE MEETING, ANY
REPORTS OF REACTIONS SHOULD BE SENT INFO TO U.S. OECD
PARIS. KISSINGER

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Message Attributes

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Copy: SINGLE
Draft Date: 29 JAN 1976
Decaption Date: 01 JAN 1960
Decaption Note:
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Disposition Authority: morefirh
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TAGS: ETRD
To: OECD PARIS MULTIPLE
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